



K. Chad Burgess  
Director & Deputy General Counsel

[chad.burgess@scana.com](mailto:chad.burgess@scana.com)

February 13, 2019

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29211

RE: Friends of the Earth and Sierra Club, Complainant/Petitioner v.  
South Carolina Electric & Gas Company, Defendant/Respondent  
Docket No. 2017-207-E

Request of the Office of Regulatory Staff for Rate Relief to South  
Carolina Electric & Gas Company's Rates Pursuant to S.C. Code  
Ann. § 58-27-920  
Docket No. 2017-305-E

Joint Application and Petition of South Carolina Electric & Gas  
Company and Dominion Energy, Incorporated for Review and  
Approval of a Proposed Business Combination between SCANA  
Corporation and Dominion Energy, Incorporated, as May Be  
Required, and for a Prudency Determination Regarding the  
Abandonment of the V.C. Summer Units 2 & 3 Project and  
Associated Customer Benefits and Cost Recovery Plans  
Docket No. 2017-370-E

Dear Ms. Boyd:

The purpose of this letter is to inform the Public Service Commission of South Carolina ("Commission") that on Monday, February 11, 2019, South Carolina Electric & Gas Company ("SCE&G") and Dominion Energy, Inc. ("Dominion Energy") issued a press release entitled "SCE&G Customers to See Benefits of Dominion Energy-SCANA Merger Beginning with February Bills." In addition to raising awareness of lower electric bills for SCE&G's customers in February, the press release also advised that SCE&G's customers will not receive an up-front cash refund, which was a component of Plan A presented in the above-referenced dockets. Enclosed for filing is a copy of the press release.

(Continued ...)

Additionally, I am writing to inform the Commission that beginning next week, SCE&G and Dominion Energy will begin its print, television, and social media advertisement campaign which focuses on the explanation of why SCE&G's customers will not receive an up-front cash refund, with the ads focusing on the residential electric customer \$1,000 cash payment. The advertisement campaign will run for four weeks concluding on March 18, 2019. Enclosed for filing you will find our advertising copy.

Lastly, I am writing to inform the Commission that SCE&G and Dominion Energy will contact Commission Staff within the next few days to schedule a date on which SCE&G and Dominion Energy will conduct an allowable ex parte communication briefing. The purpose for conducting an allowable ex parte communication briefing is to provide a status report on our Customer Education Program which was filed with the Commission on January 2, 2019.

**If you have any questions, please do not hesitate to contact us.**

Very truly yours,



K. Chad Burgess

KCB/kms  
Enclosures

cc: All parties of record in Docket No. 2017-305-E  
All parties of record in Docket No. 2017-207-E  
All parties of record in Docket No. 2017-370-E  
(all via electronic mail only w/enclosures)

Dominion Energy MediaRoom

# **SCE&G Customers to See Benefits of Dominion Energy-SCANA Merger Beginning with February Bills**

- **SCE&G implementing lower electric bills in February**
- **Further reductions in May for fuel and DSM riders**
- **Company addresses customer questions about cash refunds**

CAYCE, S.C., Feb. 11, 2019 /PRNewswire/ -- Beginning with the February billing cycle, customers of SCE&G, a wholly owned subsidiary of Dominion Energy, will begin seeing the benefits of the Dominion Energy-SCANA merger reflected in their monthly energy bills in the form of long-term lower electric bills.

"Dominion Energy committed to the Public Service Commission (Commission) of South Carolina that SCE&G customers will continue to experience savings on their electric bills as a result of Dominion Energy's levelized Customer Benefits Plan," said Rodney Blevins, president & chief executive officer of the Southeast Energy Group, which houses SCANA Corporation's operating and services companies, including SCE&G. "The new billing levels are part of the recent combination of Dominion Energy with SCANA after a three-week public hearing before the Commission."

Benefits to customers resulting from the merger include the following:

- Typical residential electric customers using 1,000 kilowatt-hours per month will see their bills drop from the current temporary level of \$125.34 per month to \$124.91 per month. This decrease places into effect bills that are now 15 percent below levels that were in effect in January 2018 prior to the temporary experimental reduction under Act 258 of the South Carolina General Assembly.
- Natural gas customers will receive \$2.45 million in bill credits in total over three years, producing an average bill credit of \$1.07 for a residential customer in 2019, with similar credits in 2020 and 2021. The annual credit for 2019 has been applied to February bills. The annual credits for 2020 and 2021 will be applied to customer bills for the January billing cycle in each of those years.
- The benefit of federal tax reform is being passed on to customers. This will include a one-time credit in February bills to pass on the benefits related to 2018. Ongoing savings are reflected in rates beginning in February and are included in the \$124.91 bill level.

Additionally, customers will see the following reductions to their electric bills beginning in May, subject to regulatory approvals:

- \$0.36 per month for a typical residential customer stemming from a Jan. 31 filing regarding Demand Side Management programs (DSM), which are energy-efficiency resources.
- \$0.20 per month for a typical residential customer from a Feb. 8 fuel cost adjustment proposal filed with the Commission.

- A total of \$0.56 per month for a typical residential customer when the fuel and DSM cost-recovery proposals are combined, which would lower such a customer's monthly bill from \$124.91 to \$124.35.

In addition to annual DSM and fuel-adjustment filings, the Company will file a general rate case in mid-2020 that will incorporate merger savings and changes in cost of service, among other things. Any changes to rates approved by the Commission affecting customers' monthly bills would take effect Jan. 1, 2021, in compliance with Dominion Energy's merger commitment to freeze base rates until then.

#### **Company addresses customer questions about cash refunds**

In recent weeks, the Company has received questions about the status of up-front cash refunds that were a key feature of the original merger proposal. The Customer Benefits Plan Dominion Energy originally proposed in conjunction with the merger included an offer to provide SCE&G electric customers a one-time cash payment totaling \$1.3 billion, which would have been a \$1,000 cash payment to the average residential customer.

Over the course of the regulatory proceedings, the Company became aware of significant support from policymakers and other key stakeholders for a plan that focused more on long-term bill relief instead of up-front cash refunds.

"After listening to policymakers and other key participants, we developed and offered a plan to lower bills as much as we could while still providing equivalent or greater value for customers," Blevins said. "While this option eliminated the one-time payment of \$1,000 for an average residential customer as we originally proposed, it produced a significantly larger decrease to electric bills. We understand some customers will be disappointed that refund checks are not included in the final approved plan, but we believe customers and South Carolina will benefit from the lower payments. The lower electric bills will also help make South Carolina more competitive in attracting new business to the state by taking SCE&G's bills from among the highest in the region to levels near the regional average, and well below the national average."

#### **About SCE&G**

Based in Cayce, S.C., South Carolina Electric & Gas Company is a wholly owned subsidiary of Dominion Energy. The regulated public utility is engaged in the generation, transmission, distribution and sale of electricity to approximately 731,000 customers in the central, southern and southwestern portions of South Carolina. The company also provides natural gas service to approximately 379,000 customers throughout the state. Please visit [www.sceg.com](http://www.sceg.com) to learn more.

#### **About Dominion Energy**

Nearly 7.5 million customers in 18 states energize their homes and businesses with electricity or natural gas from Dominion Energy (NYSE: D), headquartered in Richmond, Va. The company is committed to sustainable, reliable, affordable and safe energy and is one of the nation's largest producers and transporters of energy with about \$100 billion of assets providing electric generation, transmission and distribution, as well as natural gas storage, transmission, distribution and import/export services. As one of the nation's leading solar operators, the company intends to reduce its carbon intensity 60 percent by 2030. Through its Dominion Energy Charitable Foundation, as well as EnergyShare and other programs, Dominion Energy contributed nearly \$35 million in 2018 to community causes. Please visit [www.DominionEnergy.com](http://www.DominionEnergy.com) to learn more.

SOURCE Dominion Energy

For further information: Media, Public Affairs, 800-562-9308; Financial analysts, Steven Ridge, 804-929-6865, [Steven.D.Ridge@dominionenergy.com](mailto:Steven.D.Ridge@dominionenergy.com)

---

<https://dominionenergy.mediaroom.com/2019-02-11-SCE-G-Customers-to-See-Benefits-of-Dominion-Energy-SCANA-Merger-Beginning-with-February-Bills>



**MEMORANDUM**

To: Dominion Energy  
From: SKDKnickerbocker  
Date: February 13, 2019  
Re: TV Script- Lower Rates :60

---

**"Below Average"**

*Visual: This ad would feature images of inanimate objects that use electricity with GFX driving the key points; no stock shots of people.*

**VO:** You've heard a lot about residential electric customers getting on-average a \$1,000 cash payment and a modest bill reduction as a part of the Dominion Energy merger with SCE&G's parent company.

Here are the facts.

After hearing from policy makers and other key stakeholders, we became aware of significant support for LONG-TERM bill relief instead of the short-term fix of a onetime cash payment.

As a result, we developed a plan to significantly reduce bills, and we endorse that plan.

The new plan provides a 15% bill reduction-- a rate reduction already in effect-- for all of our residential electric customers.

And Dominion Energy is providing \$4.5 billion in benefits to SCE&G electric customers.

This new plan means South Carolina's electric rates have fallen from among the highest rates in the region, to near the regional average and well below the national average.

Dominion Energy - Lower rates. Reliable service. Delivering for South Carolina.

# Why are South Carolina residential electric customers not getting a \$1,000 cash payment from Dominion Energy?

Dominion Energy initially proposed an approximate \$1,000 cash payment with a modest bill reduction as part of its merger with SCE&G's parent company. Instead, after hearing significant support from policy makers and other key stakeholders to focus on long-term bill relief, we developed a plan that eliminated the cash payment in order to lower customers' bills even more for the long term, and we endorse that plan.

**Instead of a one-time cash payment of approximately \$1,000, residential electric customers will get LONG-TERM savings from Dominion Energy:**

**15% lower electric** bills in 2019 compared to January 2018.

**\$4.5 billion in benefits** provided by Dominion Energy to SCE&G customers.

The decrease in electric bills will deliver ongoing **savings for the long term.**

Changes in place lower **typical** monthly bills to **well below the national average.**

# ¿Por qué los clientes residenciales en Carolina del Sur no están recibiendo su pago en efectivo por \$1.000 dólares de Dominion Energy?

Inicialmente Dominion Energy propuso un pago en efectivo de aproximadamente \$1.000 dólares con una leve reducción de tarifa como parte de su fusión con la casa matriz de SCE&G. Luego, después de que líderes en política pública y otras partes interesadas expresaran amplio apoyo por legislación enfocada en brindar ayuda económica a largo plazo, desarrollamos un plan en el que se eliminaría el pago en efectivo para poder reducir las facturas de los clientes aún más y de manera prolongada. Y, este es el plan que respaldamos.

**En vez de un pago único en efectivo de aproximadamente \$1.000 dólares, los clientes residenciales recibirán ahorros con Dominion Energy a LARGO PLAZO:**

Las cuentas eléctricas del 2019 se reducirán en aproximadamente **15 por ciento** comparado con enero del 2018.

Los clientes de SCE&G recibirán **\$4,5 mil millones** en beneficios de Dominion Energy.

**A largo plazo la reducción** en las facturas eléctricas resultarán en ahorros continuos.

Los cambios realizados harán que las cuentas mensuales usuales se reduzcan, situándolas **muy por debajo del promedio nacional.**